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**DEPARTMENT OF SOCIAL SERVICES**  
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**ARNOLD SCHWARZENEGGER**  
GOVERNOR

January 29, 2010

ALL COUNTY LETTER NO. 10-02

TO: ALL COUNTY WELFARE DIRECTORS  
ALL CHIEF PROBATION OFFICERS  
ALL LOCAL MENTAL HEALTH DIRECTORS  
ALL COUNTY ADOPTION AGENCIES  
ALL ADOPTION DISTRICT OFFICES  
ALL GROUP HOME PROVIDERS  
ALL FOSTER FAMILY AGENCIES  
KARUK TRIBE

SUBJECT: AID TO FAMILIES WITH DEPENDENT CHILDREN-FOSTER CARE  
(AFDC-FC) FOSTER FAMILY AGENCY RATES AND GROUP HOME  
ADJUSTED POINT RANGES

REFERENCE: SENATE BILL 597, (CHAPTER 339, STATUTES of 2009)  
ASSEMBLY BILL X4, 4, (CHAPTER 4, STATUTES of 2009)  
CALIFORNIA ALLIANCE OF CHILD AND FAMILY SERVICES v.  
JOHN WAGNER, et. al.  
WELFARE AND INSTITUTIONS CODE SECTIONS 11462(f)(2)(A),  
11462(f)(3)(A), 11463(j), 11463(k)  
ALL COUNTY LETTER NO. 09-45  
ALL COUNTY LETTER NO. 09-85

The purpose of this All County Letter (ACL) is to provide information on the impact of Senate Bill (SB) 597 (Chapter 339, Statutes of 2009), which became effective January 1, 2010. Provisions of SB 597, signed by the Governor on October 11, 2009, provided clean-up language and additional clarity to provisions in Assembly Bill (AB) X4, 4, regarding foster care program rate changes.

REASON FOR THIS TRANSMITTAL

- ☒ State Law Change
- ☐ Federal Law or Regulation Change
- ☒ Court Order
- ☐ Clarification Requested by One or More Counties
- ☐ Initiated by CDSS

### **FOSTER FAMILY AGENCIES (FFAs)**

Provisions of AB X4, 4, as outlined in ACL No. 09-45, amended Welfare and Institutions Code section (W&IC) 11463(j) which required a ten percent reduction in the program rates for FFAs. Subsequently, SB 597 amended W&IC section 11463(j), allowing FFAs the flexibility in how they apply the ten percent rate reduction to their social work and administration components effective January 1, 2010. Also in accordance with W&IC Section 11463(j), no more than ten percent shall be deducted from the child base and increment as reflected in the chart below. However, nothing precludes FFAs from providing a payment to the certified parents in excess of the basic rate and child increment.

The following schedule provides the FFA rates and components for FFAs providing treatment programs.

Schedule of FFA Treatment Rates Effective October 1, 2009					
<b>AGE</b>	<b>0-4</b>	<b>5-8</b>	<b>9-11</b>	<b>12-14</b>	<b>15-19</b>
Basic Rate	\$373	\$405	\$431	\$480	\$522
Child Increment	\$189	\$189	\$189	\$189	\$189
Social Work and Administration	\$868	\$889	\$907	\$939	\$968
Total Rate	\$1,430	\$1,483	\$1,527	\$1,608	\$1,679

Additionally, SB 597 added W&IC section 11463(k), effective January 1, 2010, authorizing the ten percent rate reduction to apply to those FFA rates that are not determined by the schedule of rates set forth in the regulations. These rates are known as frozen or grandfathered rates and are rates that were in effect and grandfathered by the state prior to July 1, 1990. The FFAs with grandfathered rates will receive an amended rate letter with details of the new rate structure and sharing ratios. All new rates and sharing ratios will also be posted to California Department of Social Services (CDSS') website at: <http://www.childsworld.ca.gov/PG1343.htm#Lists>

**Please Note:** The counties are not required to send a Notice of Action (NOA) for the rate reductions unless the reason for the NOA is an incorrect grant computation. Questions about a hearing request related to the statutory ten percent reduction, which involve an incorrect grant computation for which a NOA is issued, should be directed to county counsel.

## **GROUP HOMES**

SB 597, W&IC section 11462(f)(3)(A) also authorized a further reduced point range schedule for Fiscal Year (FY) 2009-10. The further reduced point range schedule was intended to offset the ten percent rate reduction authorized by AB X4, 4. However, an amended Preliminary Injunction in the case of California Alliance of Child and Family Services v. John A. Wagner, et. al. was issued on December 18, 2009. That intervening court order prohibits the CDSS from implementing not only the ten percent reduction to rates paid for group home children regardless of federal eligibility; (See ACL No. 09-85 issued

December 28, 2009); but it also enjoins CDSS from implementing the further reduced point structure in SB 597. Therefore, the temporary reduced point range schedule shall not be implemented at this time. Instead W&IC section 11462(f)(2)(A) shall be the only reduced point range schedule in effect, until further notice.

For FY 2009-10, the schedule for the adjusted point ranges in each Rate Classification Level (RCL) that was extended in accordance with AB X4, 4, is provided in the following chart.

<b>Rate Classification Level</b>	<b>Adjusted Point Ranges Established in AB X4, 4, for FY 2009-10</b>
1	under 54
2	54-81
3	82-110
4	111-138
5	139-167
6	168-195
7	196-224
8	225-253
9	254-281
10	282-310
11	311-338
12	339-367
13	368-395
14	396 - up

**Note:** In accordance with W&IC Section 11462 (f)(2)(A), the adjusted RCL point ranges shall be used only for group home programs that receive AFDC-FC payments for services performed during FY 2009-10 in establishing the biennial rates for existing programs, in performing program audits and in determining any resulting rates reduction, overpayment assessment, or other actions.

**INQUIRIES**

County staff should contact the Foster Care Rates Policy Unit at (916) 324-4857 with questions regarding FFA rates and the revision of adjusted point ranges for existing group home programs. FFA and group home providers should contact their Foster Care Rates Consultant at (916) 324-4857 with questions regarding this ACL.

Sincerely,

***Original Document Signed By:***

GREGORY E. ROSE  
Deputy Director  
Children and Family Services Division